

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)
) No. G 2000 - 02
)
The Market Conduct Examination of) AMENDED FINDINGS,
) CONCLUSIONS,
American National Insurance) AND ORDER ADOPTING REPORT
Company.)
)

BACKGROUND

An examination of the market conduct of American National Insurance Company (the Company) for the period January 1, 1992, to December 31, 1996, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to Marketing and Sales, Agent Licensing, Complaints, and Replacements.

The examination report with the findings and recommendations was transmitted to the Companies for their comments on September 21, 1999. Response to the draft report was received on October 26, 1999.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Company. The final report was amended following a meeting with counsel for the company on April 18, 2000.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained on pages 3-20 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby **ADOPTED** as the final examination report.

It is **ORDERED** that the Company comply with the Instructions in the report no later than 30 days from the date of this order and continuing thereafter. Those instructions are as follows (the page and other references are to the report):

1. ANICO discontinued issuing the premium "bonus" annuities during 1995. The company is instructed to regularly audit marketing administrators to ensure such products are not sold under their name in the future. The laws that were violated are listed in the "Summary of Violations". (Page 3 and 4)
2. ANICO is instructed to take the necessary steps to insure that agents are properly licensed and appointed prior to soliciting business on behalf of ANICO, in accordance with RCW 48.17 (Page 8)
3. ANICO is instructed to establish and monitor procedures to insure that all provisions of the replacement regulations (WAC 284-23-400 through WAC 284-30-499) are complied with and that misrepresentations and inaccuracies are not contained in the replacement forms. (Page 11 & 12)

ENTERED at Lacey, Washington, this 21st day of April, 2000.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner